

Table of Contents

Topic	Page
I. CARA Enables Best Value Acquisitions	2
II. CARA Emphasizes Quality Factors and Is Results Oriented	5
III. CARA Will Reduce State Government Operating Costs	6
IV. CARA Will Reduce Acquisition Process Cycle Time	7
V. CARA Assures Integrity and Public Trust	8
VI. How You Can Help	9

I. CARA Enables Best Value Acquisitions

What is meant by ‘best value’?

“Best value” or “value effective” are concepts often used in reference to acquiring goods or services. In the past, most public sector contracts have been awarded to the bidder who submitted the lowest price. However, lowest price does not always guarantee the best use of tax dollars. For example, if an agency requests bids on 100,000 light bulbs, the agency may not want to limit the bid evaluation to price only, but may want to consider the life expectancy of the bulb. In essence, ‘best value’ can encompass a variety of factors in determining the most effective use of public tax dollars.

Recent Sacramento Bee and Wall Street Journal articles further illustrate what is meant by ‘best value’ as it pertains to the California Highway Patrol’s needs for motorcycles. In this case example, ‘best value’ criteria include, in addition to price, factors such as safety features, warranty, frequency of maintenance, fuel efficiency, useful life expectancy, and resale value. Copies of these articles are provided on the next two pages.

How does CARA enable ‘Best Value’ acquisitions?

CARA enables best value decisions by allowing state departments to establish an appropriate bid evaluation including certain factors and their relative importance. These factors may include *a broad range of criteria needed to determine suitability, capability, competency and acceptability relative to the state’s specific function, need, or purpose* (Public Contract Code 25265 and 25290). CARA recognizes that there are many factors that may influence the evaluation of bids and does not try to limit those factors statutorily. With this flexibility, agencies will be able to select a bidder based on the best overall value of the offer, which may include substantive weighting of factors other than cost, or trade-offs between costs and other criteria.

Specifically, CARA provides that cost-related or price-related evaluation factors may be considered on a best value or other value-effective basis (Public Contract Code 25269). In addition, CARA permits use of competitive negotiation methods to further optimize the value obtained for each tax dollar spent (Public Contract Code 25230). These provisions allow state acquisition officials to make true, best value decisions.

II. CARA Emphasizes Quality Factors and Is Results Oriented

1. CARA is quality and results-oriented in comparison to current statutes which focus undue attention and importance on selected subprocesses and related procedures, rather than the State's business need and the end result.
2. CARA enables use of a broad menu of methodologies and models for all types acquisitions, including sealed competitive bid, competitive negotiation, performance-based bidding, and best and final offer.
3. CARA provides opportunity for consideration of supplier quality factors such as experience, performance, and service.
4. CARA enables state agencies to include in their solicitations a broad range of evaluation criteria needed to determine suitability, capability, competency, and acceptability relative to the State's specific function, need, or purpose.
5. CARA provides flexibility to use common business sense and exercise good judgment in connection with day-to-day buying decisions.

III. CARA Will Reduce State Government Operating Costs

1. CARA significantly reduces unnecessary and non-value-added administrative paperwork burdens on both suppliers and State purchasing officials.
2. CARA assigns specific responsibility to the Department of General Services to:
 - Promote coordinated acquisition planning efforts
 - Consolidate the needs of multiple state agencies for acquisition of similar goods and services
 - Establish statewide contracts for commonly used goods and services.
3. CARA explicitly recognizes the need for adequate planning, including risk assessment, as well as ongoing progress and performance reviews, particularly for major acquisitions.
4. CARA establishes an entirely new statewide acquisition process performance improvement program under which all state agencies are required to regularly and critically review, and develop plans to continuously improve, their acquisition processes.

IV. CARA Will Reduce Acquisition Process Cycle Time

1. CARA will reduce the amount of time needed to obtain goods and services thereby enabling more timely and cost-effective achievement of business goals and objectives, and delivery of higher levels of service to the public.
2. CARA establishes a significantly higher simplified small purchase threshold (\$2,500 versus \$100).
3. CARA replaces the current quasi-judicial award protest process with a fast and fair administrative decision.
4. CARA enhances the California Multiple Award Schedule program (CMAS).
5. CARA permits establishment of contracts with multiple sources (e.g., a back-up supplier) when in the best interests of the State.

V. CARA Assures Integrity and Public Trust

1. CARA recognizes that competition is a basic tenet of public procurement, and generally requires that state agencies provide for competition whenever it is practicable and in the best interests of the State.
2. CARA returns authority, accountability, and day-to-day operating responsibility for acquisitions back to customer agencies which have ultimate overall responsibility for the performance of their programs and delivery of services to the public.
3. CARA establishes clear and consistently defined support services and a strengthened oversight role for the Department of General Services.
4. CARA retains and enhances standards of conduct for both state agency employees and suppliers and subcontractors, and provides for establishment of a structured program to assure that state agency employees involved with acquisitions obtain training and maintain competency for those activities which they are routinely assigned.
5. CARA provides for participation and oversight of both the Department of General Services and the Department of Information Technology throughout the life cycle of a major technology project.
6. CARA requires development of a new centralized, automated system which will provide state policy makers and executives with information and data needed to manage acquisition process performance and assure effective use of public tax dollars.

VI. How You Can Help

Communicate your position by writing the Bill's Author or any G.O. Committee member.

Senate Governmental Organization Committee

Senator Ralph Dills, Chair
State Capitol, Room 5050
Sacramento, California 95814
916-445-5953 Dist 310-324-4969

Senator John Burton
State Capitol, Room 4074
Sacramento, California 95814
916-445-1412 Dist 415-447-1240

Senator Leroy F. Greene
State Capitol, Room 2082
Sacramento, California 95814
916-445-7807

Senator Betty Karnette
State Capitol, Room 3086
Sacramento, California 95814
916-445-6447 Dist 310-997-0794

Senator Tim Leslie
State Capitol, Room 4081
Sacramento, California 95814
916-445-5788 Dist 916-969-8232

Senator Mike Thompson
State Capitol, Room 3056
Sacramento, California 95814
916-445-3375 Dist 707-224-1990

Senator Ken Maddy, Vice-Chair
State Capitol, Room 5052
Sacramento, California 95814
916-445-9600 Dist 209-445-5567

Senator Charles M. Calderon
State Capitol, Room 313
Sacramento, California 95814
916-327-8315 Dist 213-724-6175

Senator Teresa Hughes
State Capitol, Room 5114
Sacramento, California 95814
916-445-2104 Dist 310-412-0393

Senator William J. Knight
State Capitol, Room 2068
Sacramento, California 95814
916-445-6637 Dist 805-274-0188

Senator Herschel Rosenthal
State Capitol, Room 4070
Sacramento, California 95814
916-445-7928 Dist 818-901-5588

Stephen M. Hardy, Consultant
State Capitol, Room 5058
Sacramento, California 95814
(916) 445-1193

Please provide the Department of General Services with a copy of your letter. Send to: Happy Chastain, Office of Legislation, Department of General Services, 1325 J Street, Suite 1910, Sacramento, California 95814. FAX: 916-323-6567